

quire, first of all, tax exemption for the contributions which may be made; second, an export permit, which is issued, under statute, under a power delegated to the President, and reposed in the Department of Commerce; and, finally, a license to solicit in the District of Columbia.

After making inquiry, I discovered that the so-called certificate of incorporation was filed on May 25 with the Office of the Superintendent of Corporations of the District of Columbia.

I ask unanimous consent that the entire certificate be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the certificate was ordered to be printed in the RECORD, as follows:

This is to certify that the pages attached hereto constitute a full, true, and complete copy of a certificate of incorporation of Tractors for Freedom Committee, dated the 25th day of May 1961, and filed the 25th day of May 1961, as the same appears of record in this office.

In testimony whereof, I have hereunto set my hand and caused the seal of this office to be affixed, this the 5th day of June A.D. 1961.

ALFRED GOLDSTEIN,  
Superintendent of Corporation, Wash-  
ington, D.C.

"CERTIFICATE OF INCORPORATION

"We, the undersigned, all citizens of the United States and a majority citizens of the District of Columbia, of full age, desiring to associate ourselves as a corporation pursuant to the provisions of title 29, chapter 6 of the Code of Laws of the District of Columbia, 1951 edition, do hereby certify as follows:

"1. The name or title by which such society shall be known in law is: 'Tractors for Freedom Committee.'

"2. The term for which it is organized shall be perpetual.

"3. The particular business and objects of the society shall be: The objects of the committee are exclusively charitable and educational and no other. In furtherance of those objects, the committee will undertake, among other projects, the rehabilitation of, and assistance to, needy or distressed refugees. Any funds not expended by the committee will be put to charitable and educational uses similar to the purposes above stated at or prior to dissolution.

"4. The number of its trustees, directors or managers for the first year of its existence shall be not less than 3, nor more than 15.

"The names and respective addresses, including street and number, of the incorporators are: Victor G. Reuther, 3701 Porter Street NW., Washington, D.C.; Joseph L. Rauh, Jr., 3625 Appleton Street NW., Washington, D.C.; and John Silard, 6916 Wilson Lane, Bethesda, Md.

"Dated: May 25, 1961.

"DISTRICT OF COLUMBIA, SS:

"I, Mary C. Asay, a notary public in and for the District of Columbia, do hereby certify that Victor G. Reuther, Joseph L. Rauh, Jr., and John Silard, parties to a certain certificate of incorporation bearing date on the 25th day of May 1961, and hereunto annexed, personally appeared before me in said District, the said Victor G. Reuther, Joseph L. Rauh, Jr., and John Silard, being personally well known to me as the persons who executed the said certificate of incorporation, and severally acknowledge the same to be their act and deed.

"Given under my hand and seal this 25th day of May 1961.

[SEAL]

"MARY C. ASAY,

"Notary Public"

Mr. DIRKSEN. Madam President, I would add to this, first, that the incorporators are not actually the persons whose names appeared in the press. The incorporators are three in number. The first is Victor G. Reuther, 3701 Porter Street NW., Washington, D.C. I understand that he is a brother of Walter Reuther.

The second is Joseph L. Rauh, Jr., 3625 Appleton Street NW., Washington, D.C. At one time he was president of Americans for Democratic Action.

The third is John Silard, 6916 Wilson Lane, Bethesda, Md.

I also notice that the term for which the corporation is to be organized is to be "perpetual." So it is quite evident that when the job presently proposed is done, that will not mean the end of this corporation, for it is to be perpetual, and will be able to continue, unless on the petition of the incorporators or on the basis of an action by the Superintendent of Insurance the corporation is finally dissolved.

The purposes of the corporation are recited as follows:

The particular business and objects of the society shall be: The objects of the committee are exclusively charitable and educational and no other. In furtherance of those objects, the committee will undertake, among other projects, the rehabilitation of, and assistance to, needy or distressed refugees. Any funds not expended by the committee will be put to charitable and educational uses similar to the purposes above stated at or prior to dissolution.

So that is a rather broad grant of power.

The fourth thing on which I comment is the following: This has generally been described as a program of exchanging tractors for prisoners. But the name of the so-called society is to be "Tractors for Freedom Committee," not "Tractors for Prisoners." Of course, "Tractors for Freedom Committee" can encompass the whole wide world; and it will be rather interesting to see how this matter finally unfolds.

But this is the certificate. I procured a copy from the office of the superintendent of corporation; and I have obtained consent to have it printed in the RECORD as part of my remarks, so that the entire record will be available to the whole country.

Mr. GOLDWATER. Madam President, will the Senator from Illinois yield?

Mr. KEATING. Madam President, I ask unanimous consent that the minority leader may yield to other Senators who may wish to make comments or to question him on this subject.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DIRKSEN. I yield to the distinguished Senator from Arizona.

Mr. GOLDWATER. I merely wished to ask the minority leader whether it is possible to obtain tax exemption in any way other than by forming such a corporation.

Mr. DIRKSEN. No, I am advised by the staff of the Joint Committee on Internal Revenue Taxation that, first, it

THE PROPOSED TRACTORS-PRISONERS EXCHANGE

Mr. DIRKSEN. Madam President, will the Senator from New York yield to me?

Mr. KEATING. I yield.

Mr. DIRKSEN. Madam President, in connection with the proposed program of tractors-prisoners exchange, as everyone knows, a great deal of interest has been expressed throughout the country.

I believe it is always in the interest of truth to make sure that all the facts in connection with such a matter are known.

I made some little exploration of what would be necessary in order to articulate the proposed program. In line with the expressions which have been made by the sponsors, and that it would re-

is necessary to have a vehicle—whether an individual, a partnership, or a corporation; and when such has been created, then the application for tax exemption must be made, and it must be processed by the Tax-Exemption Division of the Internal Revenue Service—hence, the reason for creating a corporation of this kind, known as Tractors for Freedom.

Mr. GOLDWATER. Does the Senator from Illinois have any idea how long it usually takes to process such applications?

Mr. DIRKSEN. I have had some experience, over a long period of time, with other groups of eleemosynary and charitable persuasion who have sought to obtain tax exemption; and, as a general rule, those matters are rather meticulously examined by the Internal Revenue Service, and it takes quite a considerable amount of time for it to do so.

Mr. GOLDWATER. Perhaps in the nature of a year?

Mr. DIRKSEN. Well, as a matter of fact, I know of some cases from home that have been in the mill for 2 or 3 years—because, as I said, a rather careful examination is made of the proposed activities, purposes, and objects of the corporation in question, in order to make sure that it is essentially educational, charitable, or eleemosynary.

Mr. GOLDWATER. Will the Senator from Illinois state whether in his opinion the proposed use of the tractors falls under any of the categories he has mentioned; namely, charitable, educational, and so forth?

Mr. DIRKSEN. According to the certificate, it would have to be charitable or educational. What will be the interpretation and decision of the Tax-Exemption Division, I am not in a position to know. But I know they draw the line rather finely.

Mr. GOLDWATER. I thank the Senator from Illinois.

Mr. CASE of South Dakota. Madam President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. CASE of South Dakota. Does the charter or certificate give any information as to whether salaries will be paid the officers of the corporation?

Mr. DIRKSEN. In the certificate, there is no hint as to salaries. I suppose an amendment setting out such matters in detail could be filed at a future time.

This certificate of incorporation is only a single page, double spaced. It is properly attested, and was filed on May 25. But other than that, there is no detailing.

Mr. CASE of South Dakota. Is there any provision for election of the successors of the officers of the corporation?

Mr. DIRKSEN. No. It is filed under a provision of the District of Columbia Code; the reference is to title 29, chapter 6, of the Code of Laws of the District of Columbia, 1951 edition.

Mr. CASE of South Dakota. The three names given were the initial directors for the corporation. Is that correct?

Mr. DIRKSEN. That is correct.

Mr. CASE of South Dakota. Is there anything about initial officers or their successors?

Mr. DIRKSEN. The recital sets forth the names and respective addresses, including the street and number, of the incorporators: Victor G. Ruther, Joseph L. Rauh, Jr., and John Silard, with the three addresses. Two of the addresses are Washington, D.C., and one address is Bethesda, Md.

Mr. CASE of South Dakota. But there is nothing as to the first officers or their successors, nor is there any provision relating to stockholders?

Mr. DIRKSEN. No. The only details are the number of its trustees, directors, or managers for the first year of its existence shall be not less than 3, nor more than 15.

Mr. CASE of South Dakota. I have not looked up the statute here in the District of Columbia, but in my State a corporation which seeks to be classified as a nonprofit corporation and seeks to come under the general law relating to deductibility for contributions made for that purpose must set forth very clearly in the charter a prohibition against dividends or use of the corporation for profits. In most of them that I have known anything about, there has also been a prohibition against salaries being paid to officers, to make sure no profit is made.

Mr. DIRKSEN. The only reference is to the code. The rest of the detail must be gotten from the code, necessarily, unless at some time in the near future an amendment to the charter were filed.

Mr. SALTONSTALL. Madam President, will the Senator yield?

Mr. DIRKSEN. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. The Senator has asked most of the questions I had intended asking the minority leader. I should like to ask an additional question. The Internal Revenue Service must find, if this corporation is to be a charitable corporation, and therefore free from taxation, whether the object of "the rehabilitation of, and assistance to, needy or distressed refugees" would include refugees outside of the United States, and make a determination as to whether they were distressed. Is that true?

Mr. DIRKSEN. Probably so. I can only say the regulations for the guidance of the Internal Revenue Service in resolving a matter of this kind are long and detailed. The Internal Revenue Service has had long experience in matters of this kind. I know, from experience of my own, it makes a very elaborate investigation, and it has a list of regulations to guide it.

Mr. MILLER. Madam President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. MILLER. I should like to ask my leader the question as to whether he understands that, quite apart from all the various possible uses to which this organization may be put, the real, fundamental—in fact, the exclusive—function of this organization is to be, in substance the exchange of tractors to ransom prisoners in Cuba.

Mr. DIRKSEN. That could very well be. I shall let the certificate of incorporation speak for itself. The title is "Tractors for Freedom Committee." Its term is perpetual. That is rather broad. I presume it was rather carefully drawn to cover every circumstance the incorporators may have in mind.

Mr. MILLER. Quite aside from all the purposes set forth in the charter, the real question, as a matter of tax law, is What is the actual purpose or function of the organization? There is an old saying in tax law that substance governs over form. Tax law does not care about nice sounding objectives set forth in charters of incorporation. What the tax law is concerned about is, What is the substance of the organization? It is my understanding, from reading newspapers only, that the real purpose of the organization is to use tractors to ransom prisoners in Cuba. I should like to add further that I know of nothing in tax law, in connection with the definition of a charitable organization, which would cover as a charitable activity the ransoming of prisoners.

That being the case, I would suggest that, when the time comes for the Internal Revenue Service to review the deductibility of contributions to this organization, it ascertain whether, in substance, it is a contribution for the purpose of ransoming prisoners. If it ascertains that to be the fact, I would suggest it cannot possibly, under the law as it is now written by Congress, permit a deduction for that purpose.

We may discuss the various humanitarian arguments which have been made with reference to this activity, whether it is desirable or not from a political standpoint; but, speaking only from the standpoint of technical tax law, I would say it probably would have to be up to Congress to determine whether the Internal Revenue Code should be amended to include in charitable activities the ransoming of prisoners.

Mr. DIRKSEN. The general recitation herein contained is:

The objects of the Committee are exclusively charitable and educational and no other.

Then the language continues:

In furtherance of those objects, the Committee will undertake, among other projects, the rehabilitation of, and assistance to, needy or distressed refugees.

That is a matter for the Internal Revenue Service to interpret, but this is the language of the charter, and obviously it must speak for itself.

Mr. MILLER. May I say to my leader that, regardless of the charitable activities expressed in the charter, they mean nothing from the standpoint of tax law. Tax law does not care about what is recited very nicely in a charter. What tax law is concerned with is the substance; what actually takes place. I know nothing in the tax law which relates to ransoming of prisoners, or, if that is the preponderant activity of the Committee, there is nothing under the tax law which would permit deductibility under the guise of its being a charitable organization.

Mr. DIRKSEN. The District law requires that a majority of the incorporators be residents of the District of Columbia. One of those whose names has been rather frequently mentioned as being connected with the organization is Walter Reuther. He is domiciled in Michigan. Victor Reuther is domiciled in Washington. Likewise Joseph L. Rauh, Jr. But Mr. John Salard happens to be domiciled in Maryland. This is done in compliance with the District Code so far as residence requirements for incorporation is concerned. I think that fact ought to be made clear.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, notified the Senate that, pursuant to the provisions of section I, Public Law 86-42, the Speaker had appointed Mr. YATES, of Illinois, Mr. IKARD, of Texas, Mr. DULSKI, of New York, Mr. PHILBIN, of Massachusetts, Mr. STRATTON, of New York, Mr. CUNNINGHAM, of Nebraska, Mr. HARVEY, of Michigan, and Mr. TUPPER, of Maine, as additional members of the U.S. Delegation of the Canada-United States Interparliamentary Group, on the part of the House.

The message announced that the House had passed, without amendment, the following bills and joint resolution of the Senate:

S. 133. An act giving the consent of Congress to a compact between the State of Arizona and the State of Nevada establishing a boundary between those States;

S. 1941. An act to authorize construction of community support facilities at Los Alamos County, New Mexico; and

S.J. Res. 34. Joint resolution designating the week of October 9-15, 1961, as National American Guild of Variety Artists Week.

The message also announced that the House had passed the following bills and joint resolution of the Senate, severally with amendments, in which it requested the concurrence of the Senate:

S. 751. An act to amend the Indian Claims Commission Act;

S. 847. An act to change the name of the Army and Navy Legion of Valor of the United States of America, Inc.; and

S.J. Res. 65. Joint resolution designating the week of May 14-20, 1961, as Police Week and designating May 15, 1961, as Peace Officers Memorial Day.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H.R. 5178) for the relief of the Reynolds Feal Corp., New York, N.Y., and the Lydick Roofing Co., Fort Worth, Tex.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 1346) for the relief of John Napoli.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 5954) making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1962, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses

thereon, and that Mr. GARY, Mr. PASSMAN, Mr. CANNON, Mr. PILLION, and Mr. TABER were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H.R. 10. An act to encourage the establishment of voluntary pension plans by self-employed individuals;

H.R. 879. An act to amend title 38, United States Code, to provide increases in rates of disability compensation, and for other purposes;

H.R. 2750. An act to provide for the relief of certain enlisted members of the Air Force;

H.R. 2924. An act to repeal an act entitled "An act extending the time in which to file adverse claims and institute adverse suits against mineral entries in the district of Alaska," approved June 7, 1910 (36 Stat. 459);

H.R. 4750. An act to amend section 6(a) of the Virgin Islands Corporation Act;

H.R. 5255. An act to clarify the status of circuit and district judges retired from regular active service;

H.R. 5343. An act to amend section 5021 of title 18, United States Code;

H.R. 6243. An act extending to Guam the power to enter into certain interstate compacts relating to the enforcement of the criminal laws and policies of the States;

H.R. 6834. An act to amend section 35 of title 18, United States Code;

H.R. 6845. An act to amend title 14 of the United States Code to provide for an expansion of the functions of the Coast Guard;

H.J. Res. 109. Joint resolution designating the 17th day of December 1961 as Wright Brothers Day.

#### ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H.R. 1346. An act for the relief of John Napoli;

H.R. 4327. An act to amend section 714 of title 32, United States Code, to authorize certain payments of deceased members' final accounts without the necessity of settlement by General Accounting Office;

H.R. 4940. An act relating to duty-free imports of Philippine tobacco; and

H.R. 5178. An act for the relief of the Reynolds Feal Corp., New York, N.Y., and the Lydick Roofing Co., Fort Worth, Tex.

#### HOUSE BILLS AND JOINT RESOLUTION REFERRED OR PLACED ON CALENDAR

The following bills and joint resolution were severally read twice by their titles and referred, or placed on the calendar, as indicated:

H.R. 10. An act to encourage the establishment of voluntary pension plans by self-employed individuals; and

H.R. 879. An act to amend title 38, United States Code, to provide increases in rates of disability compensation, and for other purposes; to the Committee on Finance.

H.R. 2750. An act to provide for the relief of certain enlisted members of the Air Force;

H.R. 5255. An act to clarify the status of circuit and district judges retired from regular active service;

H.R. 5343. An act to amend section 5021 of title 18, United States Code;

H.R. 6243. An act extending to Guam the power to enter into certain interstate compacts relating to the enforcement of the criminal laws and policies of the States;

H.R. 6834. An act to amend section 35 of title 18, United States Code; and

H.J. Res. 109. Joint resolution designating the 17th day of December 1961 as Wright Brothers Day; to the Committee on the Judiciary.

H.R. 2924. An act to repeal an act, entitled "An act extending the time in which to file adverse claims and institute adverse suits against mineral entries in the district of Alaska," approved June 7, 1910 (36 Stat. 459); and

H.R. 4750. An act to amend section 6(a) of the Virgin Islands Corporation Act; to the Committee on Interior and Insular Affairs.

H.R. 6845. An act to amend title 14 of the United States Code to provide for an expansion of the functions of the Coast Guard; placed on the calendar.

#### SUPREME COURT DECISION ON INTERNAL SECURITY ACT

Mr. CASE of South Dakota. Madam President, will the Senator from New York yield to me?

Mr. DIRKSEN. I am grateful to the distinguished Senator from New York for indulging me so long.

Mr. KEATING. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. Madam President, I should like to comment upon the decision of the Supreme Court yesterday with respect to the Internal Security Act of 1950, to which the Senator from New York has already alluded.

The junior Senator from South Dakota was a member of the House Committee on Un-American Activities in the years 1949 and 1950, and as such was a member of the special subcommittee which was designated to work out amendments for what became the Internal Security Act of 1950. We had certain problems at that time. The original draft of the bill was known as the Mundt-Nixon bill. In the 80th Congress, the prior Congress, it did not become law.

In the 81st Congress the bill was re-introduced. Some of us who believed at that time the bill had a good chance of enactment started to work it over with a view to having it meet constitutional tests.

I, for one, was delighted to learn last night that the Supreme Court had held the law to be constitutional.

As I recall, one problem with which we dealt at the time was avoiding the charge that we were outlawing beliefs, that we were outlawing political organizations which merely confined themselves to beliefs. The bill, as originally drafted, used the phrase "Communist political organization," as I recall. It was my motion which suggested the use, instead of "Communist political organization," of the words "Communist action organization" and "Communist front organization." We thereby made a distinction between those organizations in which a person might merely engage in philosophical dialectic, or something like that, and those organizations which had action as an integral part of the purpose of the organization.